

## **FHA SINGLE FAMILY JOINT VENTURE 2004-1 CONFIDENTIALITY AGREEMENT**

**THIS CONFIDENTIALITY AGREEMENT** (this “Agreement”) is made and agreed to by the undersigned (as described in Section 1, below, the “Reviewer”).

The U.S. Department of Housing and Urban Development (“HUD”) intends to form a special purpose investment entity (the “SPE”) to which it will contribute certain HUD-held single-family mortgage loans (the “Transferred Mortgage Loans”). The Reviewer is interested in acquiring an interest in and managing the SPE, which acquisition, collectively with the contribution of Transferred Mortgage Loans by HUD, is referred to herein as the “Transaction”. HUD will permit the Reviewer to review and inspect certain documents, databases files, data (including computerized data on tape or other media) and other information relating to certain defaulted FHA-insured single-family mortgage loans (and may provide the Reviewer with a password in order to allow the Reviewer password protected access to any or all of the foregoing (all or any portion of the foregoing, including any reproductions thereof and any password provided to the Reviewer, referred to herein as the “Confidential Information”) on the condition that the Reviewer execute and deliver this Agreement.

In consideration of being granted the opportunity to review and inspect the Confidential Information, the Reviewer agrees as follows:

***Section 1. Purpose.*** The Reviewer agrees that its review, inspection and use of the Confidential Information shall be solely to conduct due diligence, on its own behalf and not as an agent, representative or broker of any undisclosed party, for the purpose of determining whether or not to submit a bid to acquire an interest in the SPE, which will acquire the Transferred Mortgage Loans, and consummate the Transaction.

***Section 2. Non-Disclosure and Use of Confidential Information.*** The Reviewer agrees that, except as set forth below, all Confidential Information shall be used by the Reviewer solely for the purposes stated in Section 1 of this Agreement. The Reviewer further agrees that it shall not, without the prior written consent of HUD, disclose any of the Confidential Information, or any notes, summaries or other information prepared by or on behalf of the Reviewer using the Confidential Information (the “Related Information”), to any party other than to (i) the Reviewer’s (and its affiliates’) employees, officers, directors, and, if the Reviewer is a partnership, its partners, (ii) the Reviewer’s agents and representatives, including attorneys, accountants, contractors and financial advisors, (iii) rating agencies with whom the Reviewer is consulting regarding the Transferred Mortgage Loans, and (iv) prospective providers of financing (collectively, the “Representatives”). No Representative shall be permitted to review or use any of the Confidential Information or the Related Information unless such Representative: (i) has a need to review or use the Confidential Information and/or the Related

Information for the purposes stated in Section 1 hereof, and (ii) has entered into an agreement with the Reviewer substantially in the form of this Agreement or is otherwise bound to review and use the Confidential Information subject to and only in accordance with the terms of this Agreement. In addition, the Reviewer acknowledges and agrees as follows:

(a) The term “Confidential Information” shall not include information which (i) is already readily available to the general public other than as a result of disclosure by the Reviewer or any of the Representatives or (ii) was disclosed to the Reviewer by a person or entity other than HUD, which is not known to the Reviewer to be subject to any confidentiality obligations to HUD or (iii) is required to be disclosed by law or by regulatory or judicial process, provided that the Reviewer has provided HUD with reasonable notice so as to allow HUD an opportunity to seek a protective order in advance of such disclosure.

(b) The Reviewer shall defend, indemnify and hold harmless HUD and each of HUD’s employees, representatives, agents and contractors (the “Indemnified Parties”) from and against any and all claims, demands, causes of action, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorney’s fees) asserted against or incurred by any Indemnified Party as a result of the breach of any of the terms or conditions of this Agreement by the Reviewer or any other person or entity to whom the Reviewer discloses the Confidential Information and/or the Related Information. In addition, if HUD determines that the Reviewer (or any other such person or entity) has breached any of the terms or conditions of this Agreement, HUD may refuse to accept any bids made by or on behalf of the Reviewer. In case any proceeding shall be instituted involving any Indemnified Party in respect of which indemnity may be sought pursuant to this Agreement, such Indemnified Party shall promptly notify the Reviewer in writing.

(c) The rights, powers and remedies provided for in the preceding subsection 2(b) shall be in addition to and do not preclude the exercise of any other right, power or remedy available to HUD at law or in equity. No forbearance, failure or delay in exercising any such right, power or remedy shall operate as a waiver thereof or preclude its further exercise.

(d) Any use of the Confidential Information and/or the Related Information in violation of this Agreement may result in the imposition of criminal penalties under 18 U.S.C. § 641.

**Section 3. Duplication.** The Reviewer shall not, without the prior written consent of HUD, make any reproductions of the Confidential Information or the Related Information for any person other than a Representative.

**Section 4. Limited Access.** The Reviewer shall require each Representative to comply with the requirements of this Agreement and any confidentiality agreement entered into by such Representative pursuant to clause (ii) of the third sentence in Section 2 of this Agreement.

***Section 5. Entire Agreement.*** This Agreement represents the entire agreement between the Reviewer and HUD relating to the treatment of the Confidential Information and the Related Information heretofore or hereafter reviewed or inspected by the Reviewer with respect to the Single Family Joint Venture 2004 sealed bid auction. This Agreement supersedes all other negotiations and agreements relating to such matters.

**IN WITNESS WHEREOF**, a duly authorized representative of the Reviewer has executed this Agreement as of the date set forth below.

**REVIEWER:**

\_\_\_\_\_  
(Print Name of Reviewer)

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Date of Execution: \_\_\_\_\_